

SPECIAL ASSESSMENT UPDATE JULY 2021

As indicated in the previous special assessment mailing, our original intention was to secure a low interest loan from the Small Business Association (SBA) and then collect the funds to repay the loan via a Moffatt/Clayton Township Special Assessment District (SAD). Several Board members attended the Moffatt Township Board Meeting in June and I requested that the Township consider the creation of a SAD for lake dredging. The Township provided an update on some new information that had been brought to their attention but did not vote on a resolution to consider the SAD. If FLPOA obtains a petition signed by at least 51% of the members in favor of an SAD the Township would vote on the issue and is willing to complete all necessary paperwork.

Moffatt Township has supported FLPOA throughout our ordeal and have responded to every FLPOA request. The Township has expended considerable time on our behalf and they have incurred legal and advertising costs which have not been billed to FLPOA as of this date. We received the \$50,000 grant from the Saginaw Chippewa Indian Tribe solely as a result of the Township submitting a grant application on behalf of FLPOA. Rumors which have apparently been circulated indicating that the Township is unwilling to support Forest Lake are not true.

In order to create an SAD the Township would need to borrow the necessary funds in lieu of FLPOA borrowing the funds. The loan interest rate for the Township would be higher than normal due to unforeseen circumstances and they would also need to obtain approval to sell bonds. The process of creating an SAD would require considerable extra work for the Township and FLPOA and the timing would probably not allow the dredging project to start until early 2022. Therefore, the Board of Directors has decided to collect the assessment directly instead of using a Township SAD. This proposed method of assessment provides for substantial cost savings compared to the previous plan and also allows for earlier completion of the dredging project.

A new Special Assessment mailing that includes detailed cost information will be sent to all property owners as soon as we can print and assemble the information. The proposed assessment is \$1,580 per property owner regardless of how many lots are owned. Four payment plans are offered as follows:

SUGGESTED PAYMENT PLAN 1 FOR SPECIAL ASSESSMENT:

Lump Sum payment by August 31, 2021 \$1,580

Alternate Plan 2 for Special Assessment:

First payment by August 31, 2021 \$790
Second payment by September 30, 2021 \$790

Alternate Plan 3 for Special Assessment:

First payment by August 31, 2021 \$527
Second payment by September 30, 2021 \$527
Third payment by October 31, 2021 \$527

Alternate Plan 4 for Special Assessment:

First payment of \$200 due August 31, 2021 with annual payments of \$200 for the next 9 years. Beginning in 2022 the Special Assessment Amount will be added to the regular dues owed, and will appear on the annual billing statement that is mailed at the end of every February.

Notes:

The suggested payment plan provides the Board of Directors with the funding necessary to immediately initiate the start of the dredging project. The bid package can be prepared by our engineering consultant and the project can be issued for bids. Construction would begin this year before the lake level is raised next spring. In addition, the suggested payment plan also provides up front funding for dock repairs and grant ineligible spillway repair costs.

If a substantial group of property owners select Alternate Plan 4 the Board may need to borrow funds in order to complete the dredging project this year. Therefore, the cost of plan 4 is increased to cover potential loan interest and administrative fees.

Please note that this assessment is based on estimated costs. If the final cost is less than estimated all remaining funds collected by the assessment will be deposited in the Dam Maintenance fund. If the final cost is greater than estimated the scope of work may need to be adjusted or alternate funding methods may need to be implemented.

President, Dennis Monsere